

RESOLUTION NO. 2 - _____

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA, APPROVING A JOINT PROGRAM WITH THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY, FOR THE ISSUANCE BY THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY OF ITS SINGLE FAMILY MORTGAGE REVENUE BONDS, SERIES 2004A (MULTI-COUNTY PROGRAM), ON BEHALF OF LEON COUNTY, FLORIDA AND THE HOUSING FINANCE AUTHORITY OF LEON COUNTY TO FINANCE QUALIFYING SINGLE FAMILY MORTGAGE LOANS IN LEON COUNTY, FLORIDA; PROVIDING THAT SUCH ESCAMBIA BONDS CONSTITUTE LIMITED, SPECIAL OBLIGATIONS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INTERLOCAL AGREEMENT WITH THE ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 159, Part IV, Florida Statutes, (the "Act") authorizes the creation of housing financing authorities with the purpose of issuing revenue bonds to assist in alleviating a shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, Sections 159.603 and 159.604, Florida Statutes, authorize the Board of County Commissioners of Leon County, Florida (the "Governing Body"), to approve the operation of the Escambia County Housing Finance Authority (the "Escambia Authority"), within the territorial boundaries of, and the issuance by the Escambia Authority of revenue bonds to alleviate the shortage of affordable housing and capital available for investment therein within Leon County, Florida (Leon County); and

WHEREAS, the Escambia Authority by resolutions duly adopted on June 13, 2000 and May 14, 2002 (collectively, the "Enabling Resolutions"), as amended and supplemented, particularly as supplemented by a resolution dated as of May 13, 2003 (the "Authorizing Resolution"), authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds, Series 2004A (Multi-County Program) (the "Escambia Bonds" or the "Bonds") in a principal amount not exceeding \$150,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, the Escambia Authority has expressed an interest in pursuing a joint program with the Housing Finance Authority of Leon County (the "Leon Authority") for the issuance by the Escambia Authority of a sufficient principal amount of the Escambia Bonds to finance qualifying single family mortgage loan programs for Escambia County and Leon County and certain other counties through a multi-county single family housing program (the "Escambia Multi-County Single Family Housing Program"); and

WHEREAS, by combining the authority to issue single family mortgage revenue bonds of the Escambia Authority, Leon County and the Leon Authority and certain other issuers desiring to participate

in the issue, the Escambia Authority will be able to make available mortgage loans at rates below the rates otherwise possible if the Leon Authority attempted a separate issue; and

WHEREAS, such a program would benefit Leon County and aid in alleviating a shortage of affordable housing and capital available for investment therein within Leon County; and

WHEREAS, in order to participate in such Escambia Multi-County Single Family Housing Program and to approve the issuance of the Escambia Bonds, the Leon Authority pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), has held a public hearing on behalf of Leon County, the Escambia Authority and Escambia County, following notice of such hearing given in the form required by the Code by publication more than fourteen (14) days prior to such public hearing; and

WHEREAS, in order to participate in the Escambia Multi-County Single Family Housing Program and to approve the issuance of the Escambia Bonds, the Leon Authority desires to approve the form of and to execute and deliver an Interlocal Agreement with the Escambia Authority and to take such other actions as are necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA, THAT:

Section 1. Authority.

This Resolution is adopted pursuant to the provisions of the Florida Housing Authority Law, Chapter 159, Part IV, Florida Statutes, and other applicable laws.

Section 2. Findings.

The Leon Authority has found and determined and hereby declares that:

(A) In order to realize the economies of scale afforded by aggregating the separate single family mortgage revenue bond programs for the Leon Authority and the Escambia Authority, it is in the best interest of Leon County and the Leon Authority to authorize the Escambia Authority to issue the Escambia Bonds to finance single family mortgage loans for both Escambia County and Leon County which qualify under the Act.

(B) The Leon Authority held a public hearing on October 2, 2003 as required by Section 147(f) of the Code after giving such notice as required thereby. Such public hearing was conducted at the time and place advertised and at such hearing reasonable opportunity was provided for all interested individuals to express their views, both orally and in writing, on the issuance of the Escambia Bonds. The Leon Authority shall provide the minutes of such public hearing to the Governing Body for approval as the applicable elected representative or governmental unit.

(C) In order to implement such Escambia Multi-County Single Family Housing Program and to approve the issuance of the Escambia Bonds, it is in the best interest of the Leon Authority to enter into an Interlocal Agreement with the Escambia Authority.

Section 3. Authorization of Form of Interlocal Agreement.

The execution and delivery of the Interlocal Agreement, authorizing the Escambia Authority to issue its Escambia Bonds to finance qualifying single family mortgage loans in Leon County, a proposed form of which is attached hereto as Exhibit A (the "Interlocal Agreement") is hereby authorized. The form of the Interlocal Agreement attached hereto as Exhibit A is hereby approved, subject to such changes, modifications, insertions, omissions, substitutions and such filling of blanks therein as may be approved and made in such form by the officers of the Leon Authority and the Escambia Authority executing the same, such execution and delivery to be conclusive evidence of such approval.

Section 4. Authorization to Execute.

The Chairman or Vice Chairman and the Secretary or Deputy Secretary of the Leon Authority are hereby authorized and empowered to execute and deliver the Interlocal Agreement, subject to such changes, modifications, insertions, omissions, substitutions and filling of blanks therein as such officers executing the same shall approve, such execution to be conclusive evidence of such approval and to affix thereto or impress thereon the seal of the Leon Authority. The appropriate officers of the Leon Authority are hereby further authorized to execute and deliver such other intergovernmental agreements, applications, consents, or other documents and instruments as may be necessary to implement the Interlocal Agreement, including, without limitation, application for up to the maximum available private activity bond volume allocations pursuant to Chapter 159, Part VI, Florida Statutes, for the purposes set forth in the Interlocal Agreement.

Section 5. Approval of Issuance of Escambia Bonds and Public Hearing.

The Leon Authority hereby approves, within the meaning of Section 147(f) of the Code, the Escambia Authority's Plan and the issuance by the Escambia Authority from time to time, of not exceeding \$150,000,000 Single Family Mortgage Revenue Bonds, initially designated as (Multi-County Program), Series 2004A, for funding the Escambia Authority's program for Mortgage Loans, and the public hearing related thereto held by the Leon Authority on October 2, 2003. The Leon Authority hereby requests the Governing Body to approve, within the meaning of Section 147(f) of the Code, the Escambia Authority's Plan and the issuance by the Escambia Authority of not exceeding \$150,000,000 Single Family Mortgage Revenue Bonds, Series 2004A, (Multi-County Program), and the public hearing related thereto by the Leon Authority.

Section 6. No Expenditure of Funds; Limited, Special Obligations.

Adoption of this Resolution does not authorize or commit the expenditure of any funds of Leon County or of the Leon Authority to pay the cost of issuance of such Escambia Bonds. The Escambia Bonds are limited, special obligations and will not constitute a debt of the State of Florida, Leon County, Escambia County, or other participating Counties or of the Leon Authority, the Escambia Authority or other participating Housing Finance Authorities, but will be payable solely from payments made from the revenues generated from the Escambia Multi-County Single Family Housing Program.

Section 7. Effective Date.

The approvals and authorizations provided in Sections 3, 4 and 5 of this Resolution are expressly contingent upon and this Resolution shall become effective upon the adoption by the Governing Body of a resolution approving and authorizing the Escambia Authority to operate within the territorial boundaries of Leon County with respect to the issuance of its Escambia Bonds.

DULY ADOPTED by the Housing Finance Authority of Leon County, this 2nd day of October, 2003.

**HOUSING FINANCE AUTHORITY OF
LEON COUNTY**

(SEAL)

By: 
Allen Stucks, Chairman

ATTEST:

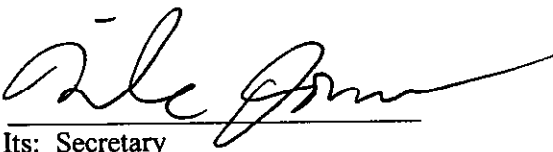
By: 
Its: Secretary

Exhibit A

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 2nd day of October, 2003, by and between the **ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY**, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Escambia Authority"), and the **HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA**, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Local Authority");

WITNESSETH:

WHEREAS, Chapter 159, Part IV, Florida Statutes (the "Act") authorizes the creation of housing finance authorities within the State of Florida (the "State") for the purpose of issuing revenue bonds to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Escambia Authority by resolution duly adopted on June 13, 2000 and May 14, 2002 (collectively, the "Enabling Resolution"), as amended and supplemented, particularly as supplemented by a resolution dated as of May 13, 2003 (the "Authorizing Resolution"), authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds, Series 2004A (Multi-County Program) (the "Escambia Bonds" or the "Bonds") in a principal amount not exceeding \$150,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of qualified mortgage bonds (as defined in Section 143 of the Code) which may be issued in each year is limited by a private activity volume cap which has been established for such purpose within the State; and

WHEREAS, the limitations upon available portions of the private activity volume cap prevents the separate issuance of qualified mortgage bonds for each county from being feasibly and economically accomplished; and

WHEREAS, the Escambia Authority has authorized a sufficient amount of Escambia Bonds to fund, or to refund or refinance outstanding obligations, the proceeds of which will be used to finance a portion of the anticipated demand during the proposed Origination Period for qualifying single family mortgages ("Mortgage Loans") of both Escambia County and the Participating County, as well as certain other counties which may also participate in a joint bond program; and

WHEREAS, the aggregation of mortgage loan demand and the securing of the related amount of the cumulative State private activity volume cap (the "Allocation Amount") granted by the State through 2004 (the "Authorization Period") for the purpose of issuing qualified mortgage bonds to finance qualifying single family residences to be occupied primarily by first-time home buyers will result in a wider allocation of fixed expenses and certain other economies of scale; and

WHEREAS, unless such economies are realized, the issuance of qualified mortgage revenue bonds for such purpose would be less economical, resulting in high mortgage costs to qualified mortgagors; and

WHEREAS, Sections 159.603 and 159.604, Florida Statutes, authorize Leon County (the "Participating County") to approve the issuance of qualified mortgage revenue bonds through the Escambia Authority to alleviate the shortage of affordable housing within the Participating County, which approval has been granted by a resolution of the Board of County Commissioners of the Participating County adopted on October 2, 2003 (the "County Resolution"); and

WHEREAS, because the restrictions attendant to qualified mortgage bonds under the Code limits the availability of mortgage funds for many eligible persons (within the meaning of the Act), the Escambia Authority may also issue taxable mortgage revenue bonds to increase the amount available for Mortgage Loans and to reduce or ameliorate such restrictions upon eligible persons; and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise those powers which are common to it and the other parties hereto and to include the Participating County within the Escambia Authority's area of operation pursuant to Florida Statutes, Section 159.603(1) for the purpose of issuing qualified mortgage bonds based on the Allocation Amount to (i) make available funds to finance qualifying single family owner-occupied residences located within the Participating Counties in accordance herewith, (ii) establish the reserves therefor, and (iii) pay the costs of issuance thereof.

NOW THEREFORE, the parties agree as follows:

Section 1. Allocation Amount; Substitution of Bonds.

The Local Authority hereby authorizes the Escambia Authority to issue, reissue, remarket or refund qualified mortgage revenue bonds, in the form of its Single Family Mortgage Revenue Bonds (the "Bonds") from time to time based on the Allocation Amount through the Authorization Period for the purpose of financing the Program and making funds available for qualifying single family owner-occupied residences in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued for such purposes in the Participating County are hereby deemed to be in full substitution for an equivalent principal amount of the Local Authority's bonds that could have been issued for such purpose. The Local Authority hereby authorizes the Escambia Authority to utilize the Local Authority's Allocation Amount on behalf of the Local Authority as part of its Plan for the purpose of funding the Program, including, among other things, financing of qualifying single family mortgages in the Participating County, and the Escambia Authority is hereby designated as the bond issuing authority for the Local Authority through the end of the Authorization Period with respect to all such Allocation Amounts. The proceeds of the Escambia Bonds shall be allocated and applied to the funding, or refinancing of or refunding obligations, the proceeds of which will be used for the funding of Mortgage Loans within the various Participating Counties and for reserves and the payment of costs of issuing the Escambia Bonds, all in accordance with final program documents approved by the Escambia Authority. All revenues generated by Bonds issued pursuant to this Agreement and by the use of the proceeds thereof, will be administered by the Escambia Authority, or its agents, and all payments due from such revenues shall be paid by the Escambia Authority, or its agents, without further action by the Local Authority.

Section 2. Administration.

The Escambia Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Local Authority retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within the Participating County, including, but not limited to, reasonably available mortgagor or profile data. The Escambia Authority and its agents shall provide the Local Authority with a copy of the transcript of documents and proceedings for the Escambia Bonds and such reports as may be necessary to comply with disclosure requirements and to account for funds generated by this Agreement.

The Escambia Authority shall have full authority and responsibility to negotiate, define, validate, market, sell, issue, reissue, deliver, refund or remarket its Escambia Bonds in the maximum Allocation Amount, based upon mortgage loan demand and available Allocation Amounts permitted by law to finance qualifying single family housing developments in the Participating County and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such Participating County. It is agreed that the initial regional Allocation Amount for the Escambia Bonds in Leon County and other Participating Counties located within the same bond volume allocation region under Section 159.804, Florida Statutes, shall be allocated ratably between Leon County and such other Participating Counties within such region based upon lender demand. All lendable proceeds of the Escambia Bonds attributable to the mortgage loan demand in Leon County shall be reserved for use in originating Mortgage Loans in Leon County for an initial period of one hundred and twenty (120) days or until July 1, 2004 whichever is later.

The issuance and administration costs and expenses related to the Escambia Bonds issued to finance the Program and administration of such Program shall be paid from proceeds of the Escambia Bonds and revenues generated from the housing Program.

Section 3. Program Parameters.

(A) Upon request of the Escambia Authority, the Local Authority shall, to the extent permitted by law, (i) approve, establish, and update, from time to time as necessary, upon the request of the Escambia Authority, such Program parameters including, but not limited to, maximum housing price and maximum adjusted family income for eligible borrowers, as may be required for any bonds issued by the Escambia Authority pursuant to this Agreement and (ii) approve the allocation of Mortgage Loan moneys for each lending institution offering to originate Mortgage Loans within the Participating County. Unless otherwise notified in writing by the Local Authority, the Escambia Authority may from time to time approve and establish such maximum price and family income amounts at the maximum levels provided pursuant to the Code without further action of the Local Authority or Participating County.

(B) The fees and expenses of the Local Authority and the fees and expenses of its counsels shall be paid from the proceeds of the Program in the manner and to the extent mutually agreed upon by the officials of the Local Authority and the Escambia Authority at or prior to issuance of the Escambia Bonds. Notwithstanding anything herein to the contrary, a program fee payable to the Local Authority from amounts received in connection with the issuance of the Bonds shall be equal to \$1.00 per \$1,000 principal amount of bond allocation received from the State for use in Leon County.

Section 4. Term.

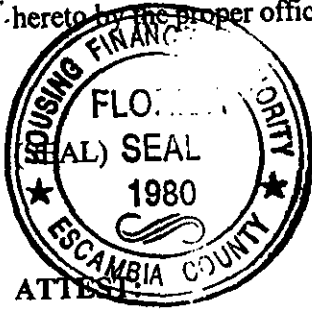
This Agreement will remain in full force and effect from the date of its execution until such time as it is terminated by any party upon ten (10) days written notice to the other party hereto.

Notwithstanding the foregoing, it is agreed that this Agreement may not be terminated by the Local Authority during the Authorization Period, or by any party during any period that the Escambia Bonds issued pursuant to the terms hereof remain outstanding, or during any period in which the proceeds of such Escambia Bonds (or investments acquired through such proceeds) are still in the possession of the Escambia Authority, or its agents, pending distribution, unless either (i) the parties to this Agreement mutually agree in writing to the terms of such termination or (ii) such termination, by its terms, only applies prospectively to the authorization to issue Escambia Bonds for which no Allocation Amount has been obtained or used by the Escambia Authority and for which no purchase contract has been entered into. It is further agreed that in the event of termination the parties to this Agreement will provide continuing cooperation to each other in fulfilling the obligations associated with the issuance of Bonds pursuant to this Agreement.

Section 5. Indemnity.

To the full extent permitted by law, the Escambia Authority agrees to hold the Participating County and the Local Authority harmless from any and all liability for repayment of principal of and interest or penalty on the Escambia Bonds issued pursuant to this Agreement, and the members, officials, employees and agents of the Participating County and the Local Authority harmless from any and all liability in connection with the approval rendered pursuant to Sections 159.603 and 159.604, Florida Statutes. The Escambia Authority agrees that any offering, circular or official statement approved by and used in marketing the Escambia Bonds will include a statement to the effect that Bond owners may not look to the Participating County or the Local Authority and their respective members, officials, employees and agents for payment of the Escambia Bonds issued pursuant to this Agreement and interest or premium thereon.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed hereto by the proper officers thereof as of the 2nd day of October, 2003.



**ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY**

By: [Signature]
James D. Cronley, Chairman

By: [Signature]
Robert Ward, Secretary

**HOUSING FINANCE AUTHORITY
OF LEON COUNTY, FLORIDA**

(SEAL)

ATTEST:

By: [Signature]
Allen Stucks, Chairman

By: [Signature]
Mike Donovan, Secretary

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The undersigned Secretary of the Housing Finance Authority of Leon County, Florida, does hereby certify that the foregoing is a true and complete original of the Interlocal Agreement executed by the Chairman and Secretary as of October 2, 2003.

Date: October 2, 2003

**HOUSING FINANCE AUTHORITY
OF LEON COUNTY, FLORIDA**

By: 
Its: Secretary

(SEAL)